

Before the State of South Carolina
Department of Insurance

In the Matter of:)	
)	Consent Order
Healthsource Insurance Services, Inc.)	Imposing Administrative Penalty
)	
146 Fairchild Street)	File Number 2000-101844
Charleston, South Carolina 29492)	
_____)	

This matter comes before me pursuant to an agreement entered into between the State of South Carolina Department of Insurance and Healthsource Insurance Services, Inc., an insurer licensed to transact business in the State of South Carolina.

Healthsource acknowledges that it failed to timely file its 1999 Fee and Tax Return with the Department due on March 1, 2000. Healthsource filed its 1999 Fee and Tax Return with the Department on March 13, 2000. This is the third time this insurer has failed to timely file a tax return installment. The Department previously fined Healthsource \$1,000 for failing to timely file its September 1999 quarterly installment. The insurer was sent a warning letter in January 1997 after its first offense. These actions are direct violations by Healthsource of S.C. Code Ann. § 38-7-60 (3) (Supp. 1999) that can ultimately lead to the revocation or suspension of an insurer's certificate of authority to transact the business of insurance in South Carolina.

Prior to the initiation of any formal administrative proceedings by the Department against Healthsource, the parties agreed to submit the entire matter to me, along with their specific recommendation, for my summary decision, rather than to proceed toward a formal public hearing. The consensual recommendation was that Healthsource would waive its right to a public hearing and immediately pay an administrative fine in the total amount of \$2,000.

S.C. Code Ann. § 38-7-60 (3) (Supp. 1998) in pertinent part states that "[t]he premium and other taxes imposed on insurers pursuant to Sections 38-7-20, 38-7-30, 38-7-40, 38-7-50, and 38-7-90 must be paid to the Director or his designee in quarterly installments on or before March first, June first, September first, and December first of each calendar year."

After a thorough review of the record, carefully considering the recommendation of the parties, and pursuant to my findings of fact, I hereby conclude as a matter of law, that Healthsource has violated S.C. Code Ann. § 38-7-60(3) (Supp. 1999). Although I can now revoke the insurer's certificate of authority, I hereby invoke the discretionary authority given to me and impose against Healthsource an administrative fine in the total amount of \$2,000. That

_____ Healthsource Insurance
Services, Inc.

fine must be paid within ten days of the date of my signature upon this Consent Order. If that total fine amount is not timely paid, the insurer's certificate of authority will be revoked without any further disciplinary proceedings.

This fine has been reached by the parties as a result of negotiation and compromise, and in consideration of Healthsource's assurance that it will timely file each of its future tax returns with the Department. By the signature of one of its officers or authorized representative upon this consent order, Healthsource acknowledges this administrative order as a public record subject to the disclosure requirements of the State of South Carolina's *Freedom of Information Act*, S.C. Code Ann. §§ 30-4-10, *et seq.* (1991 and Supp. 1999).

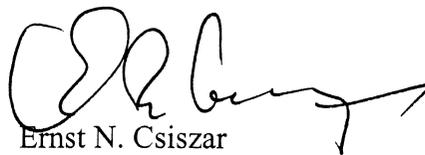
Nothing contained within this administrative order should be construed to limit, or to deprive any person of, any private right of action under the law. Nothing contained within this administrative order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement officer or judicial officer. Nothing contained within this administrative order should be construed to limit the statutory duty, of the Director of Insurance, exercised either directly or through the Department of Insurance, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the laws relative to the business of insurance or the provisions of this title which he considers necessary to report." *See* S.C. Code Ann. § 38-3-110 (Supp. 1999).

It is, therefore, ordered that Healthsource Insurance Services, Inc. shall, within ten days of the date of my signature on this consent order, pay through the South Carolina Department of Insurance an administrative fine in the total amount of \$2,000.

It is further ordered that a copy of this consent order be immediately transmitted to the National Association of Insurance Commissioners for distribution to its member states.

This consent order becomes effective as of the date of my signature below.

April 28, 2000
Columbia, South Carolina


Ernst N. Csiszar
Director


Healthsource Insurance
Services, Inc.

I CONSENT:

Catherine N Ferry

Signature

Catherine N Ferry

Printed Name

President & General manager

Title

Healthsource Insurance Services, Inc.
146 Fairchild Street
Charleston, South Carolina 29492

Dated this 20 day of April 2000.